

RECIPROCAL TRADE

*Agreement and exchange of letters signed at Geneva October 30, 1947
Entered into force October 30, 1947; operative January 1, 1948*

61 Stat. 3965; Treaties and Other
International Acts Series 1702

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND CANADA SUPPLEMENTARY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The Governments of the United States of America and Canada,

Having participated in the framing of a General Agreement on Tariffs and Trade and a Protocol of Provisional Application,¹ the texts of which have been authenticated by the Final Act adopted at the conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, signed this day,

Hereby agree that the Trade Agreement between the United States of America and Canada, signed November 17, 1938,² with accompanying exchange of notes, shall be inoperative for such time as the United States of America and Canada are both contracting parties to the General Agreement on Tariffs and Trade as defined in Article XXXII thereof.

IN WITNESS WHEREOF the representatives of the Governments of the United States of America and Canada, after having exchanged their full powers, found to be in good and due form, have signed this Supplementary Agreement.

DONE in duplicate, at Geneva, this thirtieth day of October, one thousand nine hundred and forty-seven.

For the Government of the United States of America:
WINTHROP G. BROWN

For the Government of Canada:
L. D. WILGRESS

¹ TIAS 1700, *ante*, vol. 4, pp. 641 and 687.

² EAS 149, *ante*, p. 117.

EXCHANGE OF LETTERS

The Acting Chairman of the United States Delegation to the Second Session of the Preparatory Committee of United Nations Conference on Trade and Employment to the Chairman of the Canadian Delegation

OCTOBER 30, 1947

DEAR MR. WILGRESS:

A point of legal detail has been brought to my attention in connection with the Agreement Supplementary to the General Agreement on Tariffs and Trade which we propose to sign on behalf of our two Governments on October 30 making the Reciprocal Trade Agreement of 1939 between the United States and Canada inoperative so long as both the United States and Canada are parties to the General Agreement on Tariffs and Trade.

As you know, Article XVIII of the 1939 Agreement provides that it may be terminated by either party after three years on six months' notice. The inclusion of such a provision in all our trade agreements is required by the Trade Agreements Act. Our lawyers have suggested that the very general terms of the proposed Supplementary Agreement might possibly be interpreted as making it impossible for either party to the 1939 Agreement to exercise this right of termination.

It is, of course, improbable that either of our Governments would wish to exercise this right of termination, but under our law we must, nevertheless, retain it in force. To suggest a formal amendment to the proposed Supplementary Agreement expressly excepting Article XVII of the 1939 Agreement at this late date would cause considerable inconvenience and would give greater emphasis to this point than it deserves. I am therefore writing to make it clear that we would be signing the Supplementary Agreement with the understanding that its general language would not prevent notice of termination of the 1939 Agreement given by either party while we were both parties to the General Agreement on Tariffs and Trade from effecting termination of the 1939 Agreement in six months.

I would appreciate it if you could give me the assurance that your Government has the same understanding.

Sincerely yours

WINTHROP G. BROWN
Acting Chairman

Hon. L. D. WILGRESS
*The Delegation of Canada
Palais des Nations*

*The Chairman of the Canadian Delegation to the Acting Chairman
of the United States Delegation*

GENEVA, October 30, 1947

DEAR MR. BROWN,

I have received your letter of October 30th with regard to the Agreement Supplementary to the General Agreement on Tariffs and Trade which we propose to sign on behalf of our two Governments.

I note that your purpose in writing to me is to make it clear that you would be signing the Supplementary Agreement with the understanding that its general language would not prevent notice of termination of the 1938 Trade Agreement given by either party while we were both parties to the General Agreement on Tariffs and Trade from effecting termination of the 1938 Agreement in six months.

I wish to give you the assurance that my Government has the same understanding of the position as that set forth in your letter.

Yours sincerely,

L. D. WILGRESS
Chairman, Canadian Delegation

WINTHROP G. BROWN, Esq.,
*Acting Chairman,
United States Delegation.*